

ADMINISTRATIVE MESSAGE

ROUTINE

R 132050Z AUG 03 ZYB MIN PSN 411204J12

FM CNO WASHINGTON DC//N1//

TO NAVADMIN

UNCLAS //N07000//
NAVADMIN 223/03

MSGID/GENADMIN/CNO WASHINGTON DC/-/AUG//

SUBJ/CATCH-UP CONTRIBUTIONS FOR THE THRIFT SAVINGS PLAN//

RMKS/1. THRIFT SAVINGS PLAN PARTICIPANTS AGE 50 AND OVER ARE NOW ELIGIBLE TO MAKE A NEW TYPE OF TAX-DEFERRED CONTRIBUTION TO THE TSP. THESE "CATCH-UP" CONTRIBUTIONS ARE IN ADDITION TO REGULAR TSP CONTRIBUTIONS.

2. YOU ARE ELIGIBLE IF YOU ARE A FEDERAL EMPLOYEE OR A MEMBER OF THE UNIFORMED SERVICES WHO WILL BE AGE 50 OR OLDER THIS CALENDAR YEAR, AND YOU ARE ALREADY CONTRIBUTING THE MAXIMUM AMOUNT OF REGULAR TSP CONTRIBUTIONS. THE MAXIMUM AMOUNT OF REGULAR CONTRIBUTIONS FOR 2003 IS EIGHT PERCENT OF BASIC PAY FOR MEMBERS OF THE UNIFORMED SERVICES, OR AN AMOUNT THAT WILL RESULT IN REACHING THE IRS ELECTIVE DEFERRAL LIMIT (\$12,000 FOR 2003) BY THE END OF THE YEAR.

3. IN 2003, ELIGIBLE PARTICIPANTS MAY INVEST UP TO \$2,000 IN CATCH-UP CONTRIBUTIONS. THE AMOUNT WILL INCREASE TO \$3,000 FOR 2004, \$4,000 FOR 2005, AND \$5,000 FOR 2006. SUBSEQUENT YEARS WILL BE INDEXED TO INFLATION.

4. YOU CAN SUBMIT YOUR ELECTION TO MAKE CATCH-UP CONTRIBUTIONS IMMEDIATELY. YOU DON'T HAVE TO WAIT FOR A TSP OPEN SEASON. ELECTIONS WILL BE EFFECTIVE THE FIRST PAY PERIOD AFTER DEFENSE FINANCE AND ACCOUNTING SERVICE RECEIVES YOUR REQUEST.

5. YOUR CATCH-UP CONTRIBUTION WILL BE TAKEN AS A PAYROLL DEDUCTION FROM YOUR BASIC PAY EACH PAY PERIOD. CONTRIBUTIONS WILL BE INVESTED IN THE TSP FUNDS ACCORDING TO YOUR MOST RECENT CONTRIBUTION ALLOCATION. YOU WILL BE ABLE TO CHANGE, STOP, OR RESTART YOUR CATCH-UP CONTRIBUTIONS AT ANY TIME. YOUR CONTRIBUTIONS WILL AUTOMATICALLY STOP WHEN YOU REACH THE MAXIMUM DOLLAR LIMIT ALLOWED FOR CATCH-UP CONTRIBUTIONS FOR THE YEAR. YOU MUST MAKE A NEW ELECTION EACH CALENDAR YEAR IF YOU WANT CATCH-UP CONTRIBUTIONS TO CONTINUE. YOUR AGENCY DOES NOT MATCH CATCH-UP CONTRIBUTIONS.

6. TO BEGIN CONTRIBUTIONS, COMPLETE FORM TSP-U-1-C, CATCH-UP CONTRIBUTION ELECTION, AND SUBMIT IT TO YOUR LOCAL PERSONNEL SUPPORT DETACHMENT (PSD), SHIP'S PERSONNEL OFFICE, OR RESERVE CENTER. YOU CAN OBTAIN A COPY OF THE FORM FROM THE TSP WEB SITE, WWW.TSP.GOV. ELECTION CAPABILITY USING "MYPAY" ACCOUNT IS NOT AVAILABLE AT THIS TIME.

7. SPECIAL NOTE FOR RESERVE PERSONNEL: THE AMOUNT ELECTED ON THE TSP-U-1-C FORM FOR A RESERVIST IN A DRILL STATUS WILL BE A DAILY AMOUNT VICE A MONTHLY AMOUNT. DURING A TYPICAL DRILL WEEKEND, THIS

WOULD INCLUDE TAKING THE AMOUNT ELECTED AND MULTIPLYING BY FOUR TO ARRIVE AT THE AMOUNT TO BE DEDUCTED FOR THE WEEKEND.

8. THERE ARE SPECIAL RULES FOR MEMBERS OF THE UNIFORMED SERVICES WHO MAKE CATCH-UP CONTRIBUTIONS. PUBLIC LAW 107-304 ONLY PERMITS CATCH-UP CONTRIBUTIONS FROM TAXABLE BASE PAY. YOU MAY NOT CONTRIBUTE FROM TAX EXEMPT BASE PAY (EARNED WHILE SERVING IN A COMBAT ZONE OR HAZARDOUS DUTY AREA), OR FROM ANY BONUS, SPECIAL PAY, OR INCENTIVE PAY.

9. YOU ARE NOT ELIGIBLE TO MAKE CATCH-UP CONTRIBUTIONS IF YOU ARE IN A NON-PAY STATUS OR WITHIN THE SIX-MONTH PERIOD FOLLOWING A TSP FINANCIAL HARDSHIP IN-SERVICE WITHDRAWAL.

10. FOR POLICY AND PROCESSING DETAILS PSDS, SHIP'S PERSONNEL OFFICES, AND RESERVE CENTERS SHOULD READ:

A. THRIFT SAVINGS PLAN BULLETIN 03-U-4 FOR SERVICE TSP REPRESENTATIVES AVAILABLE AT WWW.TSP.GOV, AND

B. DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS) MILITARY PAY ADVISORY (MPA 57/03). INPUT SPECIFICATIONS WILL BE RELEASED BY DFAS IN ANOTHER MPA AS SOON AS AVAILABLE.

11. POINTS OF CONTACT:

A. CONTACT COMMANDER, NAVY PERSONNEL COMMAND PASS LIAISON (PERS 331) AT (901) 874-2348/3509/4330/DSN 882 IF YOU HAVE ANY QUESTIONS CONCERNING PERSONNEL SUPPORT DETACHMENT AND SHIP'S PERSONNEL PROCESSING.

B. CONTACT CNRFC/N11 AT (504) 678-5905/DSN 678 IF YOU HAVE ANY QUESTIONS CONCERNING RESERVE CENTER PROCESSING.

C. CONTACT DFAS AT (800) 346-3374 IF YOU HAVE ANY QUESTIONS CONCERNING ACTIVE DUTY PAY.

D. CONTACT DFAS AT (800) 255-0974 IF YOU HAVE ANY QUESTIONS CONCERNING RESERVE DUTY PAY.

E. CONTACT DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER AND PERSONNEL) (N130G2) AT (703) 614-5636/DSN 224 IF YOU HAVE ANY QUESTIONS CONCERNING TSP POLICY.

12. RELEASED BY VADM G. L. HOEWING, N1.//

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